PATENT
411874-4 (Formerly MGANO.010A)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicants: PALATOV et al.	Art Unit: 2623
Serial No.: 09/506,261	
Filed: February 17, 2000	Examiner: Hai V. Tran
Title: VIDEO CONTENT DISTRIBUTION SYSTEM INCLUDING AN INTERACTIVE KIOSK, A PORTABLE ELECTRONIC STORAGE DEVICE, AND A SET-TOP BOX	

APPEAL BRIEF

Mail Stop: Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Appellant filed a Notice of Appeal in the above-identified application on August 23, 2007, under 35 U.S.C. § 134(a), and hereby submits this Appeal Brief under 37 C.F.R. § 41.37 concurrently with a Petition for Extension of Time pursuant to 37 C.F.R. § 1.136. Appellant respectfully submits that this Appeal Brief is timely filed under 37 C.F.R. § 41.37(a)(1) and (e), and that the Appeal Brief meets the substantive requirements of § 41.37(c)(1). Appellant requests entry, consideration, and favorable action on this appeal at the Board's earliest convenience.

In accordance with § 41.37(c)(1), Appellant presents the following items under the headings prescribed therein.

Real Party in Interest

INTELLIGENT TECHNOLOGIES is the real party in interest as assignee of the subject application pursuant to an assignment recorded at reel 014646, frame 0928.

Related Appeals and Interferences

Neither the assignee nor Appellant is aware of any other appeals or interferences that would bear on the Board's decision in this appeal.

Status of Claims

Claims 30, 32–34, 36–50, and 52–56 stand finally rejected in the Office Action dated February 23, 2007, and are under appeal pursuant hereto. Claims 1–29, 31, 35, 51, and 57–61 were previously canceled.

Status of Amendments

No claim amendments are currently proposed, and none has been denied entry.

Summary of Claimed Subject Matter

The invention generally relates to a system and method for video content distribution that utilizes a portable electronic storage device configured to uniquely interface via a physical connector with an interactive kiosk and a set-top box. Unlike the prior art, the invention makes it possible to store both the video content and the customer's view / usage data on a portable storage device configured to manually interface with kiosks that allow the customer to select the desired video content and thereby pay for use of the video content. In one embodiment, illustrated in Fig. 1A

(below), a customer 108 accesses a publicly accessible kiosk 102 and loads video content onto the portable video content storage device 104, also referred to as a wallet. *Palatov et al.*, U.S. Patent Application No. 09/506261, page 9, lines 3-14.

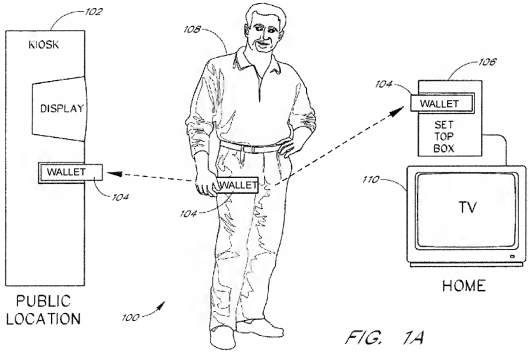


FIG. 1A

The user 108 accesses the video content by manually attaching or inserting the storage device 104 into a compatibly configured set-top box 106 that plays the video content over a television set 110. The set-top box 106 accumulates and stores data relating to the user's use of or viewing of the video content directly on the storage device 104. *Palatov et al.*, pages 9-10; Claims 30, 37, 48. The view / usage data is read upon a subsequent return to the kiosk 102 so that the user 108 can be appropriately charged. By storing view / usage data on the portable content storage device 104 and transferring the use data to the kiosk 102 upon a subsequent visit to the kiosk, it is possible to charge customers on a pay-per-view basis without the need for a separate communication link with the customer (e.g., a telephone line between a billing office and the customer's home). *Palatov et al.*, page 9, lines 3-14; Claims 30, 32-34, 36.

The portable storage device 104 is capable of storing video data of at least MPEG-2 quality and is preferably sized to store several movie-length digital video files. *Palatov et al.*, page 10, lines 14-19; Claim 30. As further illustrated in Fig. 3A (below), the portable storage device 312 protects against unauthorized access to the data stored thereon by employing a security module 308 to digitally encode data stored in the non-volatile memory 306 and a custom connector 310 that is incompatible with industry standard connectors. *Palatov et al.*, page 3, lines 1-2; page 11, lines 20-29; page 12, lines 12-15; Claims 30, 33, 34, 37, 48.

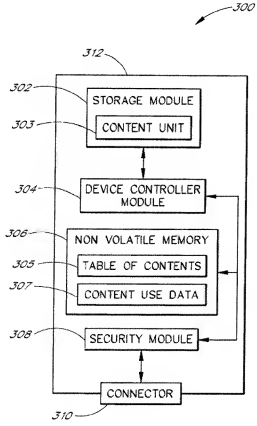


FIG. 3A

The portable video storage device 312 is configured to be accessed only by a compatible kiosk 102 and a compatible set-top box 106 (see Fig. 1A). It is important to note that the controller 304 inside of storage device 312 controls the memory 306, and the memory 306 is compatible with the controller 304 but is incompatible with industry standard controllers (see Fig. 3A). This further limits access to the content stored on the storage device for security purposes. *Palatov et al.*, page 11, lines 30-31; page 12, lines 1-6; Claims 30, 34, 37, 48.

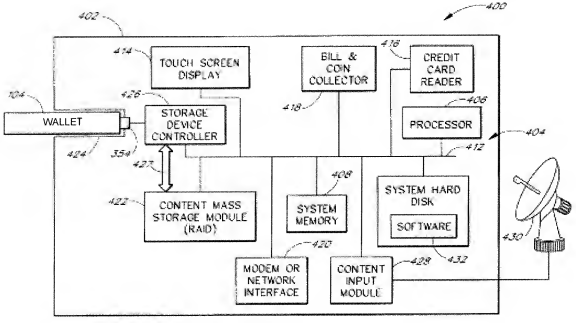


FIG. 4

The invention further comprises a kiosk 402, illustrated in Fig. 4 (above), and preferably located in a public place such as a supermarket or shopping mall. The user manually inserts the portable storage device 104 into a slot 424 in the kiosk, causing it to mate with a connector 354 that is compatible with the portable storage device 104 but incompatible with industry standard connectors. *Palatov et al.*, Claims 30, 34, 37. In one embodiment, the user interacts with the kiosk via a touch screen display interface

414, although additional user interfaces may be used. A processor 406 inside the kiosk controls a system bus 412 that communicates with a storage device controller 426 adapted to read and write video data and view / usage data to and from the portable storage device 104. A content mass storage module 422 stores video data that may be encrypted to prevent unauthorized access. The mass storage module 422 preferably stores dozens of movie-length video programs within the kiosk. Using the touch screen display 414, the user is able to transfer video data from the content mass storage module 422 to the portable storage device 104. Video view / usage data is transferred from the portable storage device 104 to the kiosk system memory 408, and system software 432 operates to calculate payment amounts based on the user's view / usage data. The kiosk is adapted to include a bill and coin collector 418, and / or a credit card reader 416 to accept user payments. Security of the video content data and the view / usage data is ensured by a combination of data encryption and the use of an electrical connector 345 that is substantially incompatible with industry standards. *Palatov et al.*, pages 18-19; page 21, lines 11-15, 24-29; Claims 30, 33-34, 36-38, 45, 48-50.

The invention further comprises a set-top box 106 adapted to interface with the portable storage device 104 to play video content on a television set 110 or similar device. See Fig. 1A (above). Like the kiosk, the set-top box includes a connector that is compatible with the portable storage device but substantially incompatible with industry standard connectors. *Palatov et al.*, Claim 48. Fig. 8 (below) illustrates the process by which a user may view the video content using the set-top box and the portable storage device. At step 802, the user inserts the portable storage device into the set-top box, causing it to electrically and mechanically mate with a custom connector that is substantially incompatible with industry standard connectors. Video content is then read from the storage device at steps 806, 812, and 814 and presented to the user via a television or similar device. Usage and viewing data is then written back to the portable storage device at step 816, and the storage device is released from

the set top box at step 818. *Palatov et al.*, page 26, lines 18-25; page 28, lines 23-31; page 29, lines 1-28; Claims 30, 34, 48-49, 53.

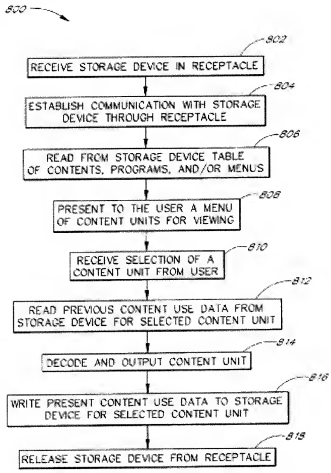


FIG. 8

Each of the foregoing elements of the invention is advantageous for securely distributing video content, for allowing a user to be billed based on actual use without the need for a separate data connection between the user's home and the video distributor, and for displaying the video content on a user's television or similar device at

a time of the user's choosing. As further discussed below, the above-described elements are not suggested or disclosed by the prior art.

Grouping of Claims

Appellant groups the rejected claims as follows:

Group I: Claims 30, 32-34, and 36;

Group II: Claims 37-47;

Group III: Claims 48-50, and 52-56.

The claims within each of the above groups stand or fall together with respect to the pending rejections. In the arguments below, Appellant presents reasons why each group of claims is separately patentable over the cited references.

Grounds of Rejection to be Reviewed on Appeal

The following grounds of rejection are reviewed in this appeal:

a) Claims 30, 32-34, and 36-47 stand finally rejected under 35 U.S.C. § 103(a) as being unpatentable over Allen (U.S. Patent No. 5,909,638) in view of Tatabayashi et al. (U.S. Patent No. 6,182,215), and further in view of Abecassis (U.S. Patent No. 5,610,653), and further in view of Cantone (U.S. Patent No. 5,734,781), and further in view of Russo (U.S. Patent No. 5,619,247), and further in view of Okuyama et al. (U.S. Patent No. 5,987,126), and further in view of Darden et al. (U.S. Patent No. 4,941,841).

(b) Claims 48-50, and 53-56 stand finally rejected under 35 U.S.C. § 103(a) as being unpatentable over Abecassis in view of Russo, and further in view of Darden et al.

(c) Claim 52 stands finally rejected under 35 U.S.C. § 103(a) as being unpatentable over Abecassis in view of Russo, and further in view of Darden et al., and further in view of Tatabayashi et al.

Argument

I. Legal Standards

MPEP § 2143 states the basic requirements for a *prima facie* case of obviousness under § 103(a) as follows:

> To establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations.
>
> The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in applicants' disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

The first criterion articulates what has become known as the teaching, suggestion, or motivation ("TSM") test, requiring that a rejection based on obviousness must demonstrate that the motivation to combine the prior art teachings arises from the prior art references themselves, or from the knowledge available to one skilled in the relevant art. *See, e.g., Al-Site Corp. v. VSI Int'l, Inc.*, 174 F.3d 1308, 1323-24 (Fed. Cir. 1999). The Supreme Court recently had the opportunity to review the TSM test, and while cautioning against applying it too rigidly or formulaically, affirmed its fundamental soundness, characterizing the test as "a helpful insight" and not inconsistent with Supreme Court obviousness jurisprudence. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. __, 127 S. Ct. 1727, 1741 (2007). Indeed, the Supreme Court noted with approval the application of the TSM test coupled with "common sense" by the Federal Circuit in two exemplary cases: *DyStar Textilfarben GmbH & Co. v. C. H. Patrick Co.*, 464 F.3d 1356, 1367 (Fed. Cir. 2006) ("Our suggestion test is actually quite flexible and not only permits, but *requires*, consideration of common knowledge and common sense"), and *Alza Corp. v. Mylan Labs., Inc.*, 464 F.3d 1286,1291 (Fed. Cir. 2006) ("There is flexibility in our obviousness jurisprudence because a motivation may be found *implicitly* in the

prior art. We do not have a rigid test that requires an actual teaching to combine. . ."). *KSR Int'l*, 127 S. Ct. at 1743.

The Federal Circuit defines a motivation found "implicitly" in the prior art: "[t]he test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art." *In re Kotzab*, 217 F.3d 1365, 1370 (Fed. Cir. 2000); *In re Lee*, 277 F.3d 1338, 1342-44 (Fed. Cir. 2002) (discussing the importance of relying on objective evidence and making specific factual findings with respect to the motivation to combine references).

The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680 (Fed. Cir. 1990). Indeed, "a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art." *KSR*, 127 S. Ct. at 1741. It is important to clearly articulate a motivation that would have led one skilled in the art to combine the teachings of the prior art because nearly all "claimed discoveries almost of necessity will be combinations of what, in some sense, is already known." *Id.*

Consistent with this common-sense approach outlined in *KSR*, the MPEP counsels that a prior art reference must be considered in its entirety, that is, as a whole, including portions that would lead away from the claimed invention. MPEP § 2141.02; *Bausch & Lomb v. Barnes-Hind/Hydrocurve, Inc.*, 796 F.2d 443, 448 (Fed. Cir. 1986) ("[i]t is impermissible within the framework of section 103 to pick and choose from any one reference only so much of it as will support a given position to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one skilled in the art.") (citing *In re Wesslau*, 353 F.2d 238 (CCPA 1965)). Indeed, finding that a reference suggests that the line of development flowing from its disclosure is unlikely to be productive of the result sought by the applicants can be sufficient to defeat a case of obviousness. *Winner Intern. Royalty Corp. v. Wang*, 202 F.3d 1340, 1350

(Fed. Cir. 2000). Moreover, even if the cited references themselves do not expressly teach away from the invention, the prior art must be considered as a whole, as it would have been viewed by one of ordinary skill in the art. *In re Hedges*, 783 F.2d 1038, 1041 (Fed. Cir. 1986). For example, proceeding contrary to accepted wisdom in the art is strong evidence of nonobviousness. *Id.*; MPEP § 2145(X)D(3).

A statement that modifications of the prior art to meet the claimed invention would have been "well within the ordinary skill of the art at the time the claimed invention was made" because the references relied upon teach that all aspects of the claimed invention were individually known in the art is not sufficient to establish a *prima facie* case of obviousness without some objective reason to combine the teachings of the references. *Ex parte Levengood*, 28 USPQ2d 1300 (Bd. Pat. App. & Inter. 1993). *See also In re Kotzab*, 217 F.3d 1365, 1371 (Fed. Cir. 2000) (Court reversed obviousness rejection involving technologically simple concept because there was no finding as to the principle or specific understanding within the knowledge of a skilled artisan that would have motivated the skilled artisan to make the claimed invention); *Al-Site Corp. v. VSI Int'l Inc.*, 174 F.3d 1308 (Fed. Cir. 1999) (the level of skill in the art cannot be relied upon to provide the suggestion to combine references).

In addition, a rejection for obviousness based on a combination of references must be based on a "thorough and searching" factual inquiry using objective evidence of record. *In re Sang Su Lee*, 277 F.3d 1338, 1343 (Fed. Cir. 2002). "This precedent has been reinforced in myriad decisions, and cannot be dispensed with." *Id.* "Evidence that supports, rather than negates, patentability must be fairly considered." *In re Dow Chemical Co.*, 837 F.2d 469, 473 (Fed. Cir. 1988).

This obviousness jurisprudence is not altered by the Supreme Court's ruling in *KSR*. In a case decided after *KSR*, the Federal Circuit affirmed (at least in the case of chemical compounds) that "a prima facie case of obviousness also requires a showing of adequate support in the prior art." *Takeda Chem. Indus. v. Alphapharm Pty., Ltd.*, 492 F.3d 1350, 1356 (Fed. Cir. 2007) (internal quotes omitted). Further, "a showing that the

prior art would have suggested making the specific molecular modifications necessary to achieve the claimed invention was also required. . . [and] that test for prima facie obviousness for chemical compounds is consistent with the legal principles enunciated in *KSR." Id.* at 1356 (internal quotes omitted).

Appellant respectfully submits that in the present application, the Examiner has not performed the required factual inquiry of the evidence as a whole and has failed to satisfy the burden of showing a sufficient objective reason to combine the teachings of the references. Instead, the Examiner has improperly picked and chosen isolated portions of references to reconstruct the invention using hindsight, while ignoring substantial portions of the record that would support a conclusion of patentability.

II. The Rejections Fail To Establish a *Prima Facie* Case of Obviousness for Any of the Three Groups of Claims

Appellant respectfully submits that the final Office Action fails to state a *prima facie* case of obviousness for at least two reasons. First, there is no suggestion or motivation in the prior art for the proposed combination of references, even under a flexible, common-sense application of the TSM test. Second, even if the combination were proper, the proposed combination fails to teach or suggest all limitations of the claims. This Appeal Brief considers these two issues separately for each of the three groups of claims.

A. Group I (Claims 30, 32-34, and 36)

Independent Claim 30 of Group I is directed at a system for distributing video content, comprising at least the following elements:

> *a portable video content storage device upon which digitally encoded video content is securely stored to prevent unauthorized access, the storage device comprising a memory capable of storing at least MPEG-2 quality video content, a security module that connects with and limits access to the memory, a device controller that connects with and controls*

the memory, wherein the memory is compatible with the device controller but the memory is incompatible with industry standard device controllers, and a durable housing configured to contain and protect the memory, the housing comprising an external first physical connector;

an interactive kiosk configured to be located in a public location, the kiosk comprising a first receptacle configured to manually receive the storage device via a second physical connector adapted to mate with the first connector, and an input device for receiving input from a user, the kiosk further configured to securely store video content on the storage device in response to the received user input; and

a set-top box comprising a second receptacle configured to manually receive the storage device via a third physical connector adapted to mate with the first connector, the set-top box further configured to access the securely stored video content from the storage device, the set-top box further configured to provide the video content as an output signal to a video display, the set-top box further configured to accumulate content use data and to store the accumulated content use data directly onto the storage device,

wherein the interactive kiosk is further configured to read the accumulated content use data from the storage device, and the first, second and third connectors are incompatible with industry standard computer systems.

Likewise, independent Claim 34 of Group I is directed at a method of obtaining and using video content, comprising the following steps:

manually inserting a portable video content storage device configured for storing digitally encoded video content, the storage device comprising a memory and a device controller, wherein the memory is compatible with the device controller but the memory is incompatible with industry standard controllers, and an external first physical connector incompatible with industry standard computer systems, into a first receptacle of an interactive kiosk in a first location via a second physical connector incompatible with industry standard computer systems, the second connector being adapted to mate with the first connector;

selecting video content through the kiosk in order to cause the kiosk to store the video content on the storage device;

manually disconnecting the storage device from the kiosk;

manually inserting the storage device into a second receptacle of a set-top box in a second location via a third physical connector incompatible with industry standard computer systems, the third connector being adapted to mate with the first connector;

causing the set-top box to access, decode, and output as a video signal at least a portion of the selected video content; and

writing content use data to the portable video content storage device.

Thus, the claims of Group I are directed primarily at a system that allows a user to securely download MPEG-2 quality video onto a portable storage device from a public kiosk, to view the video using a compatible set-top box, and to be billed according to actual use of the data, the actual use information being written to the portable storage device by the set-top box and read out by the kiosk at a subsequent visit. Furthermore, the video data and the view / usage data are secured both by data encryption and by the use of memory communication protocols and connectors that are substantially incompatible with industry standards.

1. There is no suggestion or motivation in the references for the proposed combination of Allen, Tatebayashi et al., Abecassis, Cantone, Russo, Okuyama et al., and Darden et al.

Allen discloses a data center and numerous remote manufacturing facilities equipped to manufacture VHS video tapes or DVD video discs for customers on demand. As shown in Figure 1 (below), the manufacturing facility includes a cabinet 130 containing VHS cassette tapes that are robotically loaded into a high-speed video recorder 115. See column 8, lines 35-41.

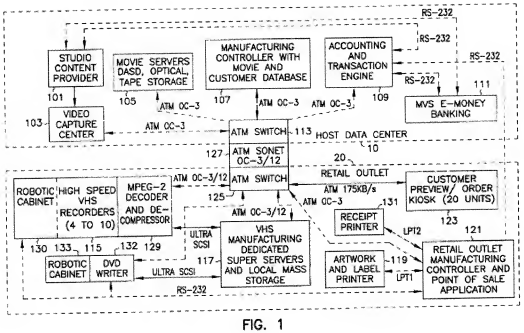


FIG. 1

With respect to the present invention, Allen has numerous deficiencies that are explicitly acknowledged by the Examiner. For example, the final Office Action correctly notes that Allen fails to disclose: (1) a portable storage device with a physical connector for mating to a kiosk and to a set-top box, the physical connectors being incompatible with industry standard connectors, (2) a kiosk adapted to store video content in a secure fashion to prevent unauthorized access, (3) a storage device capable of storing MPEG-2 quality data, (4) a storage device containing a security module and memory controller to limit access to the memory, the memory controller being incompatible with industry standard controllers, (5) a kiosk configured to read accumulated content use data from a storage device, (6) a set-top box configured to physically mate with the portable storage device, to read video data from the storage device, and to display the video data over a television or similar device, and (7) a set-top box configured to accumulate usage data and write such usage data directly to the portable storage device. *Final Office Action*, pages 10-11.

To make up for the deficiencies of Allen, the final Office Action proposes the

combination of Allen with six additional references: Tatebayashi et al., Abecassis, Cantone, Russo, Okuyama et al., and Darden et al. However, the suggestion or motivation to combine these references is present neither in the references themselves nor in the knowledge generally available to one skilled in the art, and even "a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art." *KSR*, 127 S. Ct. at 1741. Thus, the final Office Action fails to make a *prima facie* showing of obviousness for at least this reason. A detailed discussion of the lack of motivation for the addition of each of these references follows.

a. Tatebayashi et al.

Tatebayashi et al. discloses "a communication system for effectively selecting and using an encryption utilization protocol from a plurality of choices of encryption utilization protocols." *Tatebayashi et al.*, Col. 4, lines 40-43. In particular, the communication system operates between devices that are "capable of executing a plurality of encryption utilization protocols [to] communicate with each other." *Id.* at Col. 4, lines 45-47. The final Office Action simply concludes that

> it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Allen's system to securely store video content on the portable video content storage device, as taught by Tatebayashi, so as to prevent the video productions/recording from being distributed to unauthorized devices (Col 1, lines 47-50).

See final Office Action page 12. The cited four lines from the introduction of Tatebayashi discuss distribution of digital video data to unauthorized devices. However, the subsequent paragraph makes it clear that the disclosure is directed at using a receiver device capable of executing a protocol to authenticate its identity before receiving digital content. *Tatebayashi et al.*, col. 1, lines 55-65. Tatebayashi thus teaches away from using a passive VHS cassette tape or DVD disc as a receiver as disclosed by Allen because neither of these is a device "capable of executing a plurality of encryption utilization protocols." *Tatebayashi et al.*, col. 4, lines 45-47.

Similarly, Allen does not suggest any need for encryption. Allen discloses the transferring of movie content data in an unencrypted form onto VHS cassettes. Encrypting the video data on a VHS cassette teaches away from Allen because that would require the user to have the ability to decrypt the data in order to watch the video, and Allen does not disclose or suggest the need for the user to have the ability to decrypt the movie content data. Nor does Allen disclose viewing of movie content data only on an authorized device. It is improper to combine references without consideration for parts of the references that would have led one of ordinary skill away from the invention. *Ashland Oil, Inc. v. Delta Resins & Refractories, Inc.*, 776 F.2d 281, 296-97, 227 USPQ 657, 669 (Fed. Cir. 1985); M.P.E.P. § 2145(X)D(2).

The only evidence in the record showing recognition of this problem to be solved comes directly from the patent application. Rather than deriving from the prior art, the motivation for the combination comes directly from the patent application itself. The patent application states:

> The security module 308 provides functionality that limits illegitimate access to the device controller module 304, the nonvolatile memory 306, and the storage device 302. The security module 308 preferably acts as a gateway for access to the data stored on the wallet 300 by authenticating the identity of any device that attempts to communicate with the wallet 300 before communication is allowed.

Palatov et al., page 11. The patent application further states:

> The objective of the of the security module 308 can be substantially achieved by encrypting the content and data stored on the wallet 360 before the data is placed on the wallet 360.

Palatov et al., page 16. Thus, the motivation for the proposed combination of prior art references originates with the patent application itself. The final Office Action therefore relies on hindsight and has not demonstrated the existence of a motivation in the prior art at the time of the invention for the proposed combination of references.

The final Office Action further acknowledges that the combination of Allen and Tatebayashi et al. is deficient. For example, the combination does not disclose a

portable storage device containing a memory capable of storing MPEG-2 quality video content, or that the portable storage device is capable of storing accumulated content use data. *Final Office Action*, page 13. These are not insignificant deficiencies of the references, as these features go to the heart of the present invention. Appellants respectfully submit that these references lack these features because neither was ever intended to provide the solution set forth in the present patent application. The final Office Action proposes the combination of Allen, Tatebayashi et al., and Abecassis to make up for the portable storage device deficiency.

b. Abecassis

Abecassis discloses a video system for automatically tracking a viewer-defined target within a viewer-defined window, wherein the system includes a removable drive that can be implemented in a set-top box. The stated motivation in the final Office Action to add Abecassis to the combination of Allen and Tatebayashi et al. is the following:

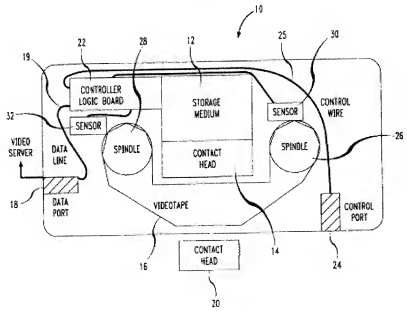
> to provide to user to use a wide variety of removable device that are available on the market in which the user could plug and play the removable device to any system, i.e., set-top box, Kiosk . . . that user would like to write/read data between the removable device and the system connected.

Final Office Action, page 13 (ellipses in original). The stated motivation to combine, however, does not support the proposed combination. As stated in the final Office Action, the motivation for combining Allen with Tatebayashi et al. would have been to prevent the access of the video content by unauthorized devices. The addition of Abecassis expands the type and number of devices that can access the video content, thereby reducing data security and teaching away from the combination of Allen and Tatebayahi et al. Furthermore, the proposed combination of Abecassis with Allen and Tatebayashi et al. teaches away from the present invention. The portable storage device of the present invention is designed *to limit*, not expand, the number of devices that can be connected to the kiosk and the set-top box. As discussed above, the

custom connector of the portable storage device acts as a security measure so that the content on the storage device cannot be copied by unauthorized devices. Because Abecassis teaches away from both the proposed combination and the present invention, the combination is improper.

The final Office Action further acknowledges that the combination of Allen, Tatebayashi et al., and Abecassis is deficient. For example, this combination does not disclose a portable video content storage device containing a controller that connects with and controls the memory, the memory being incompatible with industry standard device controllers in order to enhance data security. *Final Office Action*, page 14. The final Office Action proposes the combination of Allen, Tatebayashi et al., Abecassis, and Cantone to address this deficiency.

FIG. 1



c. Cantone

Cantone discloses a digital videocassette containing a memory capable of storing compressed data and an interface for playing the data back through a

conventional video cassette recorder. *Cantone*, Col. 4, lines 20-23. Referring to Figure 1 (above), the final Office Action notes the existence of a controller logic board 22 and a storage medium 12 and concludes that

> Cantone discloses a removable drive housing containing a controller (Fig. 1, el. 22) that connects with and controls the memory 12, wherein the memory is compatible with the device controller but the memory is incompatible with industry standard device controllers.

Final Office Action, page 14. Respectfully, Appellants submit that this characterization of Cantone is simply incorrect. Nowhere does Cantone disclose a memory that is incompatible with industry standards, nor does Cantone suggest that a memory incompatible with industry standards would be desirable. Furthermore, Cantone never raises the issue of data security or suggests any other motive for the use of a memory incompatible with industry standards.

By contrast, the present application claims such a memory as an important limitation: "a device controller that connects with and controls the memory, wherein the memory is compatible with the device controller but the memory is incompatible with industry standard device controllers." *Palatov et al.*, Claim 30. *See Id.*, page 11, lines 20-32; page 12, lines 1-6. The final Office Action then states the motivation for adding Cantone as follows:

> Therefore, it would have been obvious to an ordinary skill in the art at the time the invention was made to modify Allen, Tatebayashi, Abecassis '653 with Cantone to have a controller built-in the removable drive housing with its own (proprietary) device driver so to control all the functions pertaining to that device, i.e., videocassette device.

Final Office Action, page 14. In addition to being inaccurate—Cantone never characterizes the device driver as proprietary or incompatible with industry standards—this reasoning simply misses the point. The present application relies on the incompatibility with industry standards in order to provide "functionality that limits illegitimate access to the device controller module 304, the nonvolatile memory 306, and the storage device 302." *Palatov et al.*, page 11, lines 20-22. A motivation to

"control all the functions pertaining to the device" in fact would teach away from using a memory incompatible with industry standards because it would limit the number of devices that could be used and would add unnecessary design complexity. Thus, it is clear that the motivation for adding a memory incompatible with industry standards comes not from the prior art but originates with the application itself. Therefore, the combination of Allen, Tatebayashi et al., Abecassis, and Cantone is improper.

The final Office Action further concedes that the combination of Allen, Tatebayashi et al., Abecassis, and Cantone is deficient. For example, this combination of references does not disclose a set-top box capable of accumulating content use data and storing that content use data to a portable storage device. Further, the combination of references does not disclose a kiosk adapted to read the accumulated content use data from the portable storage device. *Final Office Action*, page 15. To make up for this deficiency, the final Office Action proposes the combination of Allen, Tatebayashi et al., Abecassis, Cantone, and Russo.

d. Russo

Russo discloses a set-top box interfaced with a cable television service provider and containing an internal storage medium that can store content use data. The final Office Action thus concludes that:

> it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Allen, Tatebayashi and Abecassis '653 with Russo to accumulate and write content use data, as suggested by Russo, to the removable-portable storage device so to keep track of the users for billing purposes (Col. 3, lines 15-30). Furthermore, in view of all of the teaching of Allen in view of Tatebayashi, Abecassis '653 and Cantone with Russo, it would have been obvious that Allen's kiosk would be able to read content use data (tracking information) from the return of the content storage device's rental . . .

Final Office Action, page 15. However, the final Office Action fails to articulate any motivation or suggestion that such content use data could be written to a portable storage device or that it could be manually carried to and read out by a kiosk in order to

calculate billing data. On the contrary, Russo teaches away from such an implementation:

> The use of a telecommunications capability, over a standard telephone line, for example, is the preferred method according to the invention for communicating with a program provider or service center in terms of authorization, billing, and account-related transactions.

Russo, col. 9. lines 12-16. The present application, on the other hand, provides the advantage of not having to maintain a cable or telephonic connection between a user's home and a service provider—only the kiosk is required to be connected to a central host server. *Palatov et al.*, page 9, lines 25-31; page 10, lines 1-3. None of the cited prior art references makes any suggestion that it would be desirable to eliminate a physical connection between a service provider and a user's home. Instead, the motivation for this combination of references comes from the application itself and is not found in the prior art. Therefore, the combination of Allen, Tatebayashi et al., Abecassis, Cantone, and Russo is improper.

The final Office Action further concedes that the combination of Allen, Tatebayashi et al., Abecassis, Cantone, and Russo is deficient as none of these references discloses a portable storage device capable of storing at least MPEG-2 quality video content. *Final Office Action*, page 16. To make up for this deficiency, the final Office Action suggests the combination of Allen, Tatebayashi et al., Abecassis, Cantone, Russo, and Okuyama et al.

e. Okuyama et al.

Okuyama et al. discloses a recording device having a copy-protection management system and notes that, for example, the device could be "designed for recording according to the MPEG2 standard." *Okuyama et al.*, col. 14, lines 16-18. The final Office Action provides the following motivation for the addition of Okuyama et al.:

> to increase the capacity of the storage media by taking advantage of the well known MPEG standard. Moreover, to reduce the time of copying the media content onto the media storage by not performing a format

conversion, i.e., digital (MPEG-2) to analog.

Final Office Action, page 16. However, this motivation is inconsistent with the combination of Allen, Tatebayashi et al., Abecassis, Cantone, and Russo. Allen discloses receiving signals from a central video distribution hub in MPEG-2 form and decoding them to analog form using a digital-to-analog decoder for transferring of the video onto a video cassette tape. *Allen*, col. 18, lines 29-43. Allen does not disclose writing the content to a portable device in MPEG-2 form but rather teaches performing a format conversion, i.e., digital (MPEG-2) to analog, the very step the final Office Action seeks to eliminate by adding Okuyama et al. Thus, the writing of video content to a portable storage device in MPEG-2 form would teach away from Allen. Therefore, one skilled in the art at the time of the invention would not be motivated to combine Okuyama et al. with Allen, Tatebayashi et al., Abecassis, Cantone, and Russo, and the combination is thus improper.

The final Office Action further acknowledges that the combination of Allen, Tatebayashi et al., Abecassis, Cantone, Russo, and Okuyama et al. is deficient as it does not disclose a portable storage device having an external first connector adapted to mate with a kiosk having a second physical connector and a set-top box having a third physical connector, wherein the first, second, and third connectors are incompatible with industry standards. *Final Office Action*, pages 16-17. To overcome this deficiency, the final Office Action proposes the combination of Allen, Tatebayashi et al., Abecassis, Cantone, Russo, Okuyama et al., and Darden et al.

f. Darden et al.

Darden et al. discloses an adaptor cartridge that allows a standard hard drive to be plugged into a standard drive bay of a personal computer. *Darden et al.*, col. 2, lines 28-34. Not only does Darden et al. fail to disclose connectors that are incompatible with industry standards, it also provides no motivation to use such connectors. The final Office Action states the following motivation to add Darden et al.:

to provide a versatile removable storage media which the removable

> storage device could be temporarily connected and removed it from the connected device for security and portability purposes, i.e., the removable storage device could be remove[d] and place[d] in a safe place . . .

Final Office Action, page 17. However, one skilled in the art at the time of the invention would not be motivated to add Darden et al. to the combination of Allen, Tatebayashi et al., Abecassis, Cantone, Russo, and Okuyama et al. for this reason. The previously stated motivation for adding Abecassis to the combination of Allen and Tatebayashi et al. was to introduce the feature of a removable, portable hard drive that presumably could be stored in a safe place. Thus, the addition of Darden et al. adds nothing to the aforementioned combination. In other words, the addition of the cartridge connector taught by Darden et al. would do nothing to change the functionality of the combination of the other references. A cartridge connector is not required to make the removable storage device of Abecassis portable and capable of being stored securely because it already has that capability. The choice of connector in Darden et al., rather, is to ensure compatibility with a large number of hard drives provided by many different manufacturers, as evidenced by the list of compatible devices presented therein. *See Darden et al.*, col. 12, lines 65-68; col. 13, lines 1-25.

By contrast, the present application articulates the motivation for using connectors incompatible with industry standards: "The wallet is also preferably configured to be substantially incompatible with industry standard computer systems in its external characteristics, connections, and communication protocols in order to limit illegitimate use." *Palatov et al.*, pages 2-3. Thus, the only motivation for the use of connectors incompatible with industry standards comes from the patent application itself. Thus, the combination of Allen, Tatebayashi et al., Abecassis, Cantone, Russo, Okuyama et al., and Darden et al. is improper.

In light of the foregoing, the final Office Action fails to show any suggestion or motivation for the combination of the cited references from either the references themselves or from the general knowledge available to one skilled in the art at the time of the invention. For at least this reason, the final Office Action fails to make a *prima*

facie showing of obviousness with respect to the claims of Group I, and the rejection of these claims must be reversed.

2. The proposed combination of Allen, Tatebayashi et al., Abecassis, Cantone, Russo, Okuyama et al., and Darden et al. fails to teach or suggest all of the claim limitations

Even if the proposed combination of Allen, Tatebayashi et al., Abecassis, Cantone, Russo, Okuyama et al., and Darden et al. were proper, the combination of these references fails to teach or suggest all of the claim limitations of the present invention with respect to Group I. The proposed combination at least fails to disclose the following elements: (1) a kiosk configured to read content use data from a portable storage device, (2) a security module that connects with and limits access to the memory, and a device controller that connects with and controls the memory, wherein the memory is incompatible with industry standard device controllers, (3) a set-top box configured to accumulate content use data directly onto a portable storage device, and (4) a portable storage device comprising a physical connector that is incompatible with industry standard computer systems.

The final Office Action states that Allen discloses a kiosk configured to read content use data from a portable storage device: "Allen further discloses the Kiosk able to read tracking information. . ." *Final Office Action*, page 10. And further, "it would have been obvious that Allen's kiosk would be able to read content use data (tracking information) from the return of the content storage device's rental . . ." *Final Office Action*, page 15. Applicants respectfully submit that the final Office Action mistakenly construes the "tracking information" disclosed by Allen to be the equivalent of content use information. The "tracking information" of Allen is written to the video cassette tape at the time of manufacture and may include the number of times the tape has been re-used and the name of the customer for whom it is created. *Allen*, col. 17, lines 25-32. Thus, the purpose of the tracking information is to monitor wear-out of the cassettes stored in the robotic cabinet and possibly to track down illegal copies of manufactured

video tapes by associating the name of the customer with the tape. But because this information is written at the time of manufacture, it cannot possibly have anything to do with the customer's later use or viewing of the tape. Thus, tracking information differs significantly from content use information, and the final Office Action does not demonstrate that a kiosk capable of reading content use information has been disclosed or suggested in the prior art.

The final Office Action states that Cantone, in combination with other references, discloses a hard drive with a controller that connects with and controls the memory, wherein the memory is compatible with the device controller, but the memory is incompatible with industry standard device controllers. *Final Office Action*, page 14. The portions of Cantone cited to support this suggestion (col. 3, lines 43-48; col. 4, lines 44-53, line 67; col. 5, lines 1-3) in fact are silent on the issue of whether the memory is compatible or incompatible with industry standards. Rather, these sections simply describe the fact that the memory is controlled by a controller. Thus, the final Office Action does not demonstrate that a memory that is incompatible with industry standard controllers is disclosed or suggested in the prior art.

Furthermore, the final Office Action does not address the limitation of "a security module that connects with and limits access to the memory." *Palatov, et al.*, Claim 30. The final Office Action fails to point to any prior art that addresses this limitation and thus fails to show that it is disclosed or suggested in the prior art.

The final Office Action states that Russo, in combination with other references, discloses a set-top box configured to accumulate and write content use information directly to a portable storage device. *Final Office Action*, page 15. Russo discloses storing the content use data in the set-top box itself, not in a removable storage, so the proposed combination does not disclose the element of the present invention "to accumulate content use data and to store the accumulated content use data *directly onto the storage device*." *Palatov et al.*, Claim 30. In addition, neither Russo nor Allen (nor any of the references) discloses a kiosk adapted to read content use data from a

portable storage device. Russo merely discloses the storing of content use data in a memory located in the set-top box, which can then be queried by a central office through a phone line. Thus, the final Office Action has not demonstrated that a set-top box configured to accumulate and write content use information directly to a portable storage device has been suggested or disclosed in the prior art.

The final Office Action states that Darden et al., in combination with other references, discloses a portable storage device comprising a physical connector that is incompatible with industry standard computer systems. *Final Office Action*, page 17. The final Office Action cites col. 10, lines 33-45 of Darden et al. for support of the proposition that the connectors are not compatible with industry standards, but this cited portion merely discloses how the cartridge will connect when it is slid into a slot. Darden et al. does not disclose in this section or anywhere else in the reference that this connection is a non-standard connection. In fact, the reference goes to great lengths to describe that the cartridges are adapted to fit industry standard computers, including most IBM PC or PC-compatible computers. *Darden et al.*, col. 6, lines 59-67. It is further noted that "there is a mounting bracket permanently installed in a half-height space and hooked up to the hard drive wires already provided for in the information storage system," suggesting compatibility of the connectors with the existing hard drive wires. *Darden et al.*, col. 2, lines 42-45. Furthermore, to emphasize that the cartridge is as compatible as possible with industry standards, the reference goes on to list the various brand-name hard drives that will operate with the cartridge. *Darden et al.*, col. 12, lines 65-68; col. 13, lines 1-34. Thus, Darden et al. and the final Office Action fail to disclose or suggest a portable storage device comprising a physical connector that is incompatible with industry standard computer systems.

Because the final Office Action has at least failed to demonstrate that the foregoing elements are suggested or disclosed in the cited references, it has not established that all elements of the Group I claims are taught in the prior art. For at least this reason, the final Office Action fails to make a *prima facie* showing of

obviousness with respect to the claims of Group I, and the rejection of these claims must be reversed.

3. The proposed combination of Allen, Tatebayashi et al., Abecassis, Cantone, Russo, Okuyama et al., and Darden et al. further fails to teach or suggest all of the claim limitations of the dependent claims

The final Office Action includes rejections of the dependent claims of Group I based on the same combination of references used to reject independent Claims 30 and 34. Inasmuch as there is no motivation found in the prior art for this combination of references, or because the proposed combination fails to teach all of the elements of independent Claims 30 and 34, the rejection of the dependent claims of Group I is improper. Moreover, the cited combination of references further fails to teach or suggest all of the claim limitations of the dependent claims, as outlined below.

Regarding Claim 32, the final Office Action cites Tatebayashi et al., col. 8, lines 5-15 as disclosing a passive media storage unit. *Final Office Action*, page 17. However, the cited portion of Tatebayashi et al. discloses a video disc *recorder* and not a passive video disc itself as an example of a verifier unit. This is consistent with the overall disclosure of Tatebayashi et al. which is directed at a communication system that operates between devices that are "capable of executing a plurality of encryption utilization protocols [to] communicate with each other," rather than passive devices. *Tatebayashi et al.,* Col. 4, lines 45-47. Thus, the cited references do not disclose the material claimed in dependent Claim 32.

Regarding Claim 33, the final Office Action asserts that both Tatabayashi et al. and Russo disclose video content that is encrypted. *Final Office Action*, page 17-18. However, Appellants respectfully submit that the final Office Action confuses data encryption, as claimed in Claim 33, with authentication protocols exchanged between devices, as disclosed in Tatebayashi et al. Likewise, the cited portions of Russo disclose the use of video compression rather than encryption.

Regarding the method Claims 34 and 36, the final Office Action simply refers to the rejection of apparatus Claim 30 and offers no further analysis. Thus, the final Office Action fails to make a *prima facie* showing of obviousness with respect to the dependent claims of Group I, both because it fails to do so with respect to the independent claims from which they depend and because the cited references fail to disclose all the elements of the dependent claims. Therefore, the rejection of the dependent claims of Group I must also be reversed.

B. Group II (Claims 37–47)

Independent Claim 37 of Group II is directed at a hand-held portable video storage device comprising at least the following limitations:

> *a mass storage module configured to store at least about an hour of at least television-suitable quality digitally encoded video content;*
>
> *a controller configured to prevent unauthorized access to the mass storage module, the controller further configured to permit video content to be written to the mass storage module by a compatibly configured interactive kiosk, wherein the mass storage module is compatible with the controller but the mass storage module is incompatible with industry standard controllers; a hand-held housing containing the mass storage module and the controller; and*
>
> *a physical connector mounted in the housing, the physical connector configured to be manually connected to the interactive kiosk to thereby establish communication with the interactive kiosk;*
>
> *wherein the physical connector is configured to be uniquely compatible with the kiosk but incompatible with industry standard electronic system and devices for accessing video content.*

Thus, the claims of Group II are directed primarily at a portable video storage device, access to which is limited by a memory controller that is incompatible with industry standard controllers, and by a physical connector that is incompatible with industry standard computer systems. In other words, the Group II claims cover the portable video storage device used to receive video data from the kiosk and to play the

video data through the set-top box.

1. There is no suggestion or motivation in the references for the proposed combination of Allen, Tatebayashi et al., Abecassis, Cantone, Russo, Okuyama et al., and Darden et al.

For the same reasons provided above in part A, there is no suggestion or motivation in the references for the proposed combination of Allen, Tatebayashi et al., Abecassis, Cantone, Russo, Okuyama et al., and Darden et al. The final Office Action infers that the removable drive disclosed by Abecassis "must also have physical connector mounted in the housing of the removable drive," and that Darden et al. describes a "removable slide-in storage device (cartridge) wherein the external connectors are incompatible with industry standard computer systems." *Final Office Action*, pages 18-19. However, as discussed above, not only does Darden et al. fail to disclose a device with connectors incompatible with industry standards, the final Office Action does not explain the motivation to use non-standard connectors when the drive disclosed by Abecassis is already removable regardless of the type of connector used.

Furthermore, as described above, the references fail to suggest the desirability of a mass storage unit or memory that is incompatible with industry standard controllers. Only the present application provides motivation for this feature. In the discussion of an embodiment in which the mass storage device comprises a disk drive, the present application states the following rationale:

> The disk drive 322 is preferably custom manufactured to use a nonstandard format for the command and bit definitions, rendering the disk drive 322 incompatible with industry standard disk drive controllers. This feature makes illegitimate access to the data on the disk drive 322 more difficult.

Palatov et al., page 13. Thus, the motivation for the combination of references proposed in the final Office Action comes not from the prior art references but rather from the application itself, and the combination is therefore improper. For at least this reason, the final Office Action fails to make a *prima facie* showing of obviousness with

respect to the claims of Group II, and the rejection of these claims must be reversed.

2. The proposed combination of Allen, Tatebayashi et al., Abecassis, Cantone, Russo, Okuyama et al., and Darden et al. fails to teach or suggest all of the claim limitations

Allen in combination with the above-named references fails to disclose a hand-held video storage device comprising a physical connector that is incompatible with industry standard electronic systems for the same reasons discussed above. As described previously, Darden et al. does not disclose the use of connectors incompatible with industry standard computer systems and in fact emphasizes the compatibility of the disclosed cartridge adaptor with computers and disk drives manufactured by several different vendors.

Furthermore, none of the cited references discloses a mass storage device that employs a memory incompatible with industry standard controllers. As discussed previously, the portions of Cantone cited to support this suggestion in fact are silent on the issue of whether the memory is compatible or incompatible with industry standards, as is the remainder of the reference. Rather, these sections simply recite the fact that the memory is controlled by a controller. Thus, the final Office Action does not demonstrate that a mass storage device that is incompatible with industry standard controllers is disclosed or suggested in the prior art.

For at least this reason, the final Office Action fails to make a *prima facie* showing of obviousness with respect to the claims of Group II, and the rejection of these claims must be reversed.

3. The proposed combination of Allen, Tatebayashi et al., Abecassis, Cantone, Russo, Okuyama et al., and Darden et al. further fails to teach or suggest all of the claim limitations of the dependent claims

The final Office Action includes rejections of the dependent claims of Group II based on the same combination of references used to reject independent Claim 37.

Inasmuch as there is no motivation found in the prior art for this combination of references, or because the proposed combination fails to teach all of the elements of independent Claim 37, the rejection of the dependent claims of Group II is improper. Moreover, the cited combination of references further fails to teach or suggest all of the claim limitations of the dependent claims, as outlined below.

Regarding Claim 38, while some of the cited references may disclose the existence of an electrical connector, none discloses an electrical connector that is incompatible with industry standard computer systems for the same reasons discussed previously.

Regarding Claim 39, the final Office Action takes Official Notice that the use of an optical connector is well known in the art. *Final Office Action*, page 19. However, no evidence is provided suggesting a motive for or the existence of such a connector that is incompatible with industry standards. The stated motivation "to provide a more choice of connectivity between devices" teaches away from the present invention which uses such a connector for the purpose of *limiting* rather than *expanding* the number of devices that may interface with the portable video storage unit.

Regarding Claims 40-47, the final Office Action relies on the existence of similar sub-elements such as disk drives and data buffers in the combination of the seven cited references to show obviousness. However, inasmuch as no motivation is established for the combination of these references, or because they do not disclose all of the limitations of underlying independent claim 37, as discussed previously, the final Office Action also fails to make a *prima facie* showing of obviousness for the dependent claims. Therefore, the rejection of the dependent claims of Group II must also be reversed.

C. Group III (Claims 48–50, 52–56)

Independent Claim 48 of Group III is directed at a set-top box configured to access the video stored on a portable video storage device and comprising at least the following elements:

a receptacle configured to manually receive the portable video content storage device, wherein the portable video content storage device can be inserted and removed by a user, and wherein the receptacle comprises an external first physical connector incompatible with industry standard computer systems;

a video decoder module configured to decode the video content to produce an output signal; and

a processor configured to control the video decoder module, wherein the processor is further configured to accumulate content use data based at least upon an amount of use of the video content and to store the accumulated content use data on the portable video content storage device;

wherein the set-top box is configured to be uniquely connected to the portable video content storage device via a second physical connector incompatible with industry standard devices for transferring video content, the second connector being adapted to mate with the first connector.

Thus, the claims of Group III are primarily directed to the set-top box that is adapted to access the video data on the portable storage device, to display the video data to a user, to accumulate content use data, and to write the content use data directly to the portable storage device. The set-top box includes a connector incompatible with industry standard computer systems in order to enhance data security.

1. There is no suggestion or motivation in the references for the proposed combination of Abecassis, Russo, and Darden et al.

Abecassis, as described previously, discloses a video content-on-demand system that may include a removable drive that can be implemented in a set-top box. However, as a fundamental matter, Abecassis as a whole teaches away from the present invention, and a prior art reference must be considered in its entirety, that is, as a whole, including portions that would lead away from the claimed invention. MPEP § 2141.02; *Bausch & Lomb v. Barnes-Hind/Hydrocurve, Inc.*, 796 F.2d 443, 448, 230

USPQ 416, 420 (Fed. Cir. 1986). In particular, Abecassis is directed at a system for providing content-on-demand video that "abandons the concept of video as a prepackaged viewing unit. . ." *Abecassis*, col. 4, lines 24-25. Abecassis contrasts the non-linear variable content architecture of content-on-demand video with traditional linear broadcast video: "[b]roadcast technologies are conceptually obsolete in the pointcast era of video-on-demand technology." *Abecassis*, col. 4, lines 8-10.

By contrast, the present application embraces traditional linear broadcast video systems and dismisses video-on-demand technology as impractical. "Video-on-demand technology is continually being developed but has not reached a level suitable to mass marketing and deployment . . . [D]ue to extremely high bandwidth requirements among other technological hurdles, it may be a long time before the average person has access to video-on-demand." *Palatov et al.*, page 2. Thus, because Abecassis and the present application teach away from one another, and because each dismisses the fundamental technology disclosed by the other (as obsolete in one case and impractical in the other), it is unreasonable and improper to rely on Abecassis to demonstrate obviousness.

Further, the final Office Action acknowledges that Abecassis is deficient in that it does not disclose a processor configured to accumulate content use data and to store that data on the portable video storage device. In addition, Abecassis does not disclose or suggest that the set-top box includes a receptacle having a physical connector that is incompatible with industry standard computer systems. *Final Office Action*, page 22. To make up for the first deficiency, the final Office Action proposes the combination of Abecassis and Russo.

For the same reasons discussed previously, there is no motivation found in the prior art for this combination of references. The present invention teaches writing content use data to a portable video storage unit to enable calculation of billing data at a central kiosk. On the contrary, Russo teaches away from such an implementation:

The use of a telecommunications capability, over a standard telephone

> line, for example, is the preferred method according to the invention for communicating with a program provider or service center in terms of authorization, billing, and account-related transactions.

Russo, col. 9. lines 12-16. Thus, one skilled in the art would not be motivated to combine the teaching of Russo with that of Abecassis because such a combination teaches away from the present invention. The combination of references is therefore improper.

To make up for the second acknowledged deficiency of Abecassis, i.e., the lack of non-standard connectors, the final Office Action proposes the combination of Abecassis, Russo, and Darden et al. *final Office Action*, page 23. However, as previously discussed, the final Office Action fails to explain the motivation for making such a combination other than to state that doing so would "provide a versatile removable storage media which the removable storage device could be temporarily connected and remove it from the connected device for security and portability purposes. . ." *Final Office Action*, page 23. However, one skilled in the art would not be motivated to follow the teaching of Darden et al. for such a purpose because the removable drive disclosed by Abecassis is already removable and could already be connected and removed from a device for security and portability purposes. The addition of a connector incompatible with industry standard computer systems would do nothing to change this functionality. Thus, the motivation for this combination of references necessarily originates from the application itself in which a component is "preferably configured to be substantially incompatible with industry standard computer systems in its external characteristics, connections, and communication protocols in order to limit illegitimate use." *Palatov et al.*, pages 2-3. Therefore, this combination of references is improper.

In light of the foregoing discussion, there is no suggestion or motivation for the combination of references proposed in the final Office Action with respect to the Claims of Group III. For at least this reason, the final Office Action fails to make a *prima facie* showing of obviousness with respect to the claims of Group III, and the rejection of

these claims must be reversed.

2. The proposed combination of Abecassis, Russo, and Darden et al. fails to teach or suggest all of the claim limitations

The proposed combination of references at least fails to disclose a set-top box configured to accumulate content use data and to store the content use data onto the portable video storage device. As described previously, Russo discloses storing content use data in the set-top box itself, not in a removable storage, so the proposed combination does not disclose the element of the present invention "to accumulate content use data based at least upon an amount of use of the video content and *to store the accumulated content use data on the portable video content storage device.*" *Palatov et al.*, Claim 48.

Furthermore, the proposed combination of references at least fails to disclose a receptacle comprising a physical connector that is incompatible with industry standard computer systems. As discussed above, Darden et al. does not disclose the use of connectors incompatible with industry standard computer systems and in fact emphasizes the compatibility of the disclosed cartridge adaptor with computers and disk drives manufactured by several different vendors.

In light of the foregoing, the combination of references proposed in the final Office Action with respect to the Claims of Group III fails to disclose or suggest all of the claim limitations. For at least this reason, the final Office Action fails to make a *prima facie* showing of obviousness with respect to the claims of Group III, and the rejection of these claims must be reversed.

3. The proposed combination of Abecassis, Russo, and Darden et al. further fails to teach or suggest all of the claim limitations of the dependent claims

The final Office Action includes rejections of dependent Claims 49-50 and 53-56 of Group III based on the same combination of references used to reject independent Claim 48. Inasmuch as there is no motivation found in the prior art for this combination

of references, or because the proposed combination fails to teach all of the elements of independent Claim 48, the rejection of the dependent Claims 49-50 and 53-56 of Group III is improper.

The final Office Action also includes a rejection of dependent Claim 52 of Group III based on the same combination of references used to reject independent Claim 48 and further in view of Tatebayashi et al. For the same reasons as above, the rejection of dependent Claim 52 of Group III is also improper. Moreover, the cited combination of references further fails to teach or suggest all of the claim limitations of the dependent claims, as outlined below.

Regarding Claim 49, the final Office Action points to the existence of a processor that controls the operation of the system disclosed in Abecassis. *Final Office Action*, page 24. However, the mere fact that a processor is responsible for controlling system functions does not disclose or enable a set-top box "wherein the processor is further configured to control the portable video content storage device," as recited in Claim 49.

Regarding Claim 50, the final Office Action relies on a figure from Russo including a box labeled "Descramble" to assert that the decryption module configured to decrypt encrypted video content of Claim 50 is rendered obvious. *Final Office Action*, page 24. However, as discussed previously, the description of this figure in Russo contains a discussion of data compression and decompression rather than decryption. *Russo*, col. 10, lines 10-22. Simply mentioning descrambling does not enable a "decryption module configured to decrypt encrypted video content," as recited in Claim 50.

Regarding Claims 52-56, the final Office Action relies on the existence of similar sub-elements such as video and audio outputs, saved user preferences, and authentication protocols in the combination of the four cited references to show obviousness. However, inasmuch as no motivation is established for the combination of these references, or because they do not disclose all of the limitations of underlying independent Claim 48, as discussed previously, the final Office Action also fails to

establish a *prima facie* showing of obviousness for the dependent claims. Therefore, the rejection of the dependent claims of Group III must also be reversed.

Conclusion

For the foregoing reasons, Appellants respectfully submit that the rejections of Claims 30, 32–34, 36–50, and 52–56 were improper and should be reversed.

Respectfully submitted,

Date: January 22, 2008

Brian M. Berliner
Attorney for Appellant
Registration No. 34,549

O'MELVENY & MYERS LLP
400 South Hope Street
Los Angeles, CA 90071-2899
Telephone: (213) 430-6000